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SUBJECT: Labor Ministry Closes Cotton Craft Factory Due to Repeated Labor Violations

REFS: A) 07 Amman 4991
B) 07 Amman 4166

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1. (U) On January 16, Jordan's Ministry of Labor (MOL) shut down the "Cotton Craft" factory in al-Tajamouat Qualifying Industrial Zone (QIZ) in Sahab after repeated labor violations were identified during MOL inspections and cited in National Labor Committee (NLC) reports (reftels).

2. (SBU) MOL Advisors confirmed to Econoff that the MOL had been closely monitoring and working with factory management on improving labor conditions at Cotton Craft (CC) since the end of 2006. Various problems included non-payment of overtime (OT) wages, OT hours, physical abuse, and poor dormitory facilities. In May 2007, CC supervisors were fined by a Jordanian court for slapping workers. In June 2007, the company was sold, and MOL worked with the new management to bring the factory into compliance.

3. (SBU) Although all back wages had been paid as of October 2007, MOL decided to shut down the factory after learning that the wages for November and December 2007 had again not been paid to approximately 150 workers. The new owner reportedly had accumulated debts, and could not meet financial obligations. MOL confirmed to Econoff that the Jordanian government has assisted in transferring the unpaid, predominantly Bengali workers to other factories. Since the payment of wages is a contractual issue, MOL explained that the government could not initiate court proceedings, but informed workers of their rights to pursue the cases in Jordanian courts and offered assistance in finding lawyers.

4. (U) MOL recently reported in the local press that in 2007, workers filed 2,479 complaints at the MOL's Directorate of Inspection and Workers Affairs, and 77% of the cases had been resolved. Of those complaints, 755 were received through the hotline set up last year in six languages: Hindi, Bangla, Sinhala, Tagalog, and Bahasa Indonesian. Most of the complaints by foreign laborers involved dormitory conditions, non-payment of overtime and minimum wages, maltreatment by employers, delayed salaries, and confiscation of passports.

5. (SBU) COMMENT: The closure of the Cotton Craft factory sends a strong signal to other factories on the consequences of failure to comply with local labor law. It also underscores that the Jordanian government continues to take labor issues seriously and implement tough decisions after exhausting all other measures to improve labor conditions.

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